

TIRNO-95-D-00067
Report on Examination of Direct
And Indirect Costs and Rates
For Fiscal Year Ended December 18, 1998

August 2002

Reference Number: 2002-IC-134

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.



INSPECTOR GENERAL
for TAX
ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

August 2, 2002

MEMORANDUM FOR DAVID A. GRANT
DIRECTOR OF PROCUREMENT
INTERNAL REVENUE SERVICE

FROM: Pamela J. Gardiner
Deputy Inspector General for Audit

SUBJECT: TIRNO-95-D-00067: Report on Examination of Direct and
Indirect Costs and Rates for Fiscal Year Ended
December 18, 1998 (Audit #200210002.026)

The Defense Contract Audit Agency (DCAA) examined the contractor's United States Federal Government Group (UFGG) July 31, 2001 certified final indirect cost rate proposal and related books and records for reimbursement of Fiscal Year 1998 incurred costs. The purpose of the examination was to determine allowability and allocability of direct and indirect costs and recommended Contracting Officer determined indirect cost rates for December 20, 1997 through December 18, 1998. The proposed rates apply primarily to flexibly-priced contracts.

The DCAA noted that the contractor's indirect rates are acceptable as proposed and the claimed direct costs are provisionally approved pending final acceptance. However, the DCAA qualified its audit report because the results of the assist examinations for subcontract costs and results of the CAS 413 Pension noncompliance had not been received.

The information in this report should not be used for purposes other than that intended without prior consultation with the Treasury Inspector General for Tax Administration regarding its applicability.

If you have any questions, please contact me at (202) 622-6510 or Daniel R. Devlin, Assistant Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs), at (202) 622-8500.

Attachment

NOTICE:

The Office of Inspector General for Tax Administration has no objection to the release of this report, at the discretion of the contracting officer, to duly authorized representatives of the contractor.

The contractor information contained in this report is proprietary information. The restrictions of 18 USC 1905 must be followed in releasing any information to the public.

This report may not be released without the approval of this office, except to an agency requesting the report for use in negotiating or administering a contract with the contractor.

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